



*United States Attorney
Southern District of New York*

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**EX-HOUSING DEVELOPMENT VICE-PRESIDENT PLEADS GUILTY
IN U.S. COURT TO HELPING SYPHON AGENCY'S FUNDS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation, announced that LUKE CUSACK pled guilty to a one-count Information in Manhattan federal court today, charging that he assisted in a scheme to defraud the New York City Housing Development Corporation ("HDC") of hundreds of thousands of dollars.

HDC is a public benefit corporation created under New York State law for the purpose of financing the construction and rehabilitation of affordable multi-family housing projects in New York City. CUSACK - who was appointed HDC's Senior Vice-President for Administration in August 1998 - admitted before United States District Judge SIDNEY H. STEIN that he engaged in a scheme, together with former HDC President Russell A. Harding, to use HDC funds for their own personal gain, and for the enrichment of friends and associates, and to avoid detection by falsely

characterizing their improper expenditures as legitimate business expenses of HDC.

CUSACK, age 33, resides in Manhattan. He faces a maximum sentence of 10 years in prison and a maximum fine of \$250,000 or twice the gain or loss resulting from the offense. Sentencing has been set for November 7, 2003, at 2 P.M.

Mr. COMEY stated that the investigation is continuing.

Assistant United States Attorneys DEBORAH E. LANDIS and DANIEL A. BRAUN are in charge of the prosecution.

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